

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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Postal Rate and Fee Changes, 2000

Docket No. R2000-1
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

**RESPONSE OF NEWSPAPER ASSOCIATION OF AMERICA
WITNESS WILLIAM B. TYE TO SECOND SET OF INTERROGATORIES OF
MAIL ORDER ASSOCIATION OF AMERICA (MOAA/NAA-T1-2-3)
July 3, 2000**

The Newspaper Association of America hereby provides the response of witness William B. Tye to the second set of interrogatories of the Mail Order Association of America MOAA/NAA-T1-2-3, filed on June 19, 2000. Each interrogatory is stated verbatim and is followed by the response. A declaration is attached.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

July 3, 2000

William B. Baker
William B. Baker

RESPONSE OF NEWSPAPER ASSOCIATION OF AMERICA WITNESS TYE TO
INTERROGATORIES OF MAIL ORDER ASSOCIATION OF AMERICA

MOAA/NAA-T1-2:

In your testimony, you state that "...the results of the distribution key analysis are 'cherry picked,'" at 2 line 8. Please identify any data regarding ECR pound costs that have been ignored that, if included, would have supported raising the pound rate.

RESPONSE:

The Postal Service has continuously failed to provide reliable data on the effect of weight on ECR costs. In the absence of such evidence, there is no reason to believe that the pound rate should fall. However, there are other cost data that support the idea that the pound rate should be increased. First, witness Mayes notes that the systemwide average increase in rates is 6.4 percent (Mayes response to POIR No. 3, Question 5). Witness Bernstein provides data of he calls the "marginal cost change" for ECR from Docket No. R97-1 to Docket No. R2000-1 in the amount of 12.5 percent. See Bernstein Testimony (USPS-T-41), page 106. Also please see my direct testimony, page 36, lines 1-2, for evidence that the Postal Service has underestimated FY1999 ECR costs by 4.62 percent. Finally, see my response to USPS/NAA-T1-26 (a-b).

RESPONSE OF NEWSPAPER ASSOCIATION OF AMERICA WITNESS TYE TO
INTERROGATORIES OF MAIL ORDER ASSOCIATION OF AMERICA

MOAA/NAA-T1-3:

In your discussion of "thinness of tallies" in witness Daniel's study you refer to "certain suggestions thus far in this case", at 10 line 14. Please identify the source of each of the "certain suggestions" presented in this case.

RESPONSE:

I refer to ADVO/USPS-T28-8, ADVO/USPS-T28-12 (Tr. 4/1206-1207, 1222) and the questions at the cross-examination of witness Daniel at Tr. 4/1368-1370.

DECLARATION

I, William B. Tye, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

William B. Tye
WILLIAM B. TYE

Dated: July 3, 2000